
Community Dispute Resolution Program



2004 Annual Report

Michigan Supreme Court
State Court Administrative Office
Office of Dispute Resolution

COMMUNITY DISPUTE RESOLUTION PROGRAM

ANNUAL REPORT 2004

PROGRAM DESCRIPTION AND FUNDING

Community Dispute Resolution Program (“CDRP”) centers offer mediation as an alternative to traditional adversarial dispute resolution in the courts. Mediation is a process in which a trained, neutral person assists disputing parties reach a mutually satisfactory resolution. Unlike litigation, where one party wins and one party loses, mediation results in “win/win” solutions. CDRP mediators are volunteers who have completed both a 40-hour training program approved by the State Court Administrative Office (“SCAO”) and a supervised internship.

CDRP centers are nonprofit volunteer-based organizations that receive grant funding from the SCAO. Grant funds are derived from a court filing fee assessment. In 2004, the SCAO distributed \$1.9 million to the 21 centers to support their work; grant awards per center ranged from \$39,353 to \$376,759. Contact information for the CDRP centers appears in the statistical supplement.

PROGRAM PERFORMANCE

Centers resolved 5,853 cases in 2004, representing a 14.3% increase over 2003. Court referrals continued to increase, up 26.4% from 2003. Centers also provided meeting facilitation and arbitration services in an additional 239 matters.

A resolution rate of 73.5% was achieved when all parties agreed to use a center’s services. This was achieved either through the formal mediation process, or informally through correspondence or telephone conversation. Participants’ selection of the formal

2004 At A Glance

Number of centers	21
Range of grant awards	\$39,353-\$376,759
Individuals involved in cases	25,198
Businesses involved in cases	6,488
Number of resolutions	5,853
Average days to disposition	21.7
Average length of mediation (hours)	1.6
Resolution rate	73.5%
Agreement compliance rate	93.2%
Average amount agreed to per case	\$3,001
Value of volunteer contribution	\$1,187,346

mediation process increased by 14% over the previous year. Although many issues in controversy are non-economic in nature, the combined financial settlements of cases presenting economic issues increased by over 13% from 2003 to \$9,559,623 million.

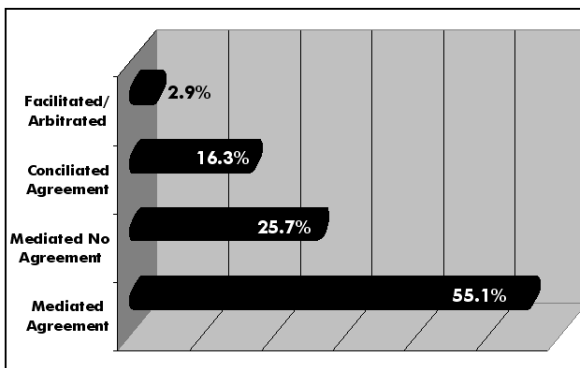
Mediation also results in the quick resolution of matters. On the average, a case was disposed within 21.7 days of intake. The average mediation session lasted about one and three-quarter hours. The statewide average cost per case, as measured by centers’ CDRP grant awards divided by the total number of case dispositions, was \$157. Additional information regarding cost per case calculations appears in the statistical supplement.

Of the 12,155 cases disposed in 2004, 73.7% were matters in which the disputants learned about the service from courts. Referrals from governmental units—cases in which parties elected to call a center after being told of the services by state agencies, county offices or county employees, city, township or other municipalities’ offices—accounted for the second highest referral source at 5.6% of the cases disposed.

PROGRAM PERFORMANCE COMPARED

In the late 1980’s, the National Center for State Courts based its recommendations for designing Michigan’s community mediation initiative on a model already implemented in New York State. New York’s Community Dispute Resolution Centers Program (CDRCP), continues to most closely

Outcome When All Parties Participate



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resemble Michigan's Community Dispute Resolution Program. In 2004, the New York State Unified Court System disbursed \$7,065,082 to its 28 community mediation centers, nearly four times the amount disbursed in Michigan. Despite New York centers' having significantly higher funding levels than Michigan, Michigan's CDRP centers' outputs compare very favorably to those obtained in New York: average days from intake to disposition 25 (Michigan 21.7 days); average amount agreed to per case \$2,096 (Michigan \$3,001); cost per case per disposed cases \$138 (Michigan \$157); cost per case per mediated/conciliated/arbitrated case \$241 (Michigan \$233); percentage of court referrals 50% (Michigan 73.7%).

VOLUNTEER CONTRIBUTIONS

Volunteerism remains a defining aspect of the CDRP. Volunteers serve as mediators, trainers, outreach workers, administrators, workshop facilitators and office assistants at many centers. Approximately 23,415 hours of service were contributed by volunteers in 2004. In market value equivalents, this represents a contribution of \$1,034,210. Centers also receive a number of donated goods and services such as rent, photocopying services, accounting services and purchase discounts. The market value of these goods and services totaled \$153,136. This means that for every one dollar invested in grant awards, an additional \$0.62 in in-kind services is generated.

Referral Sources

Court	73.7%
Government	5.6%
Self Referral	5.0%
Legal Organization, Prosecutor, Attorney, Police	4.1%
Advertising	3.7%
Other	7.9%

Dispute Type

Breach of Contract	24.2%
Consumer/Merchant	16.7%
Landlord/Tenant	11.4%
Domestic Relations	10.5%
Property	8.1%
Other	29.1%

EVALUATIONS REPORT POSITIVE OUTCOMES

Two evaluations of program services were concluded in 2004. A study of permanency planning mediation, conducted by the Michigan State University School of Social Work, found that children in abuse and neglect cases, in which mediation was employed to develop a family plan, reached permanency outcomes over 12 months sooner than children in cases where mediation was not used. While the formal Permanency Planning Mediation Program ("PPMP") pilot program was discontinued owing to a loss of funding, SCAO is working to identify funding to support continued permanency planning mediation through the original sites and to expand this valuable service to other jurisdictions.

A second evaluation, conducted by the Michigan State University Department of Communication, examined collection rates in mediated versus non-mediated small claims cases. Evaluators found that persons who obtained a judgment following mediation were 23% more likely to obtain full or partial payment than persons who obtained a judgment by default or hearing. The study also found that payments were likely to be received more quickly in the mediated cases, and, if payments were not received in full when agreed upon, payment plans for the remaining amount owed were created in the mediated cases more often than in the non-mediated cases.

Both reports can be accessed at the Office of Dispute Resolution website.

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INCREASING SERVICE TO COURTS

CDRP centers continued to work with courts in their service area to increase both the number of cases resolved through mediation, or informal conciliation, and the variety of cases referred to mediation.

The number of court referrals to centers has increased from 49% of all referrals in the mid-1990's, to nearly 75% in 2004. The types of cases mediated have also become more complex, ranging from small claims and landlord-tenant cases to contested adult guardianships, a wide array of family disputes, land use conflicts, contract, real estate, and other matters brought in the general jurisdiction of the district and circuit courts.

The increased focus on court work is clearly reflected in overall program statistics: the number of cases mediated and informally conciliated increased by nearly 16.6% over 2003. The number of court referrals increased from 7,083 in 2003 to 8,953 in 2004, a 26.4% increase. The resolution rate of 73.5% in 2004 is consistent with resolution rates of centers receiving court-ordered cases throughout the country.

Two court-based mediation pilot projects began in late 2004. One tests the use of mediation in cases that previously received an evaluation of less than \$25,000 under Michigan's case evaluation process (MCR 2.403). The second pilot project is assessing the use of mediation in post-judgment parenting time disputes referred by the Friend of the Court.

ENHANCED DATA COLLECTION AND REPORTING TO COURTS

Beginning in mid-2005, with new case management software provided by the SCAO, centers will be able to analyze case processing more closely than ever before. Centers will also be able to generate reports to individual courts reflecting the disposition of cases received from those courts, track cases accepted before the parties filed a suit with a court, and analyze correlated data.

PUBLIC EDUCATION MATERIALS

Additional information about the Community Dispute Resolution Program, including brochures that can be downloaded or ordered from the SCAO, appears at: <http://courts.michigan.gov/scao/dispute/index.htm>. Local CDRP centers can be contacted by calling 1-800-8RESOLVE (1-800-873-7658).

STATISTICAL SUPPLEMENT AVAILABLE

Supplemental annual report materials are available at the Office of Dispute Resolution website. These materials include: (1) centers' contact information; (2) local program summaries identifying the types of services offered, referral sources, and other information; (3) comprehensive statistical data for each center, reported quarterly and compiled annually by the SCAO; and (4) cost per case analyses.

To contact the Community Dispute Resolution Program center nearest you call 1-800-8RESOLVE, (1-800-873-7658).

For additional information about the statewide Community Dispute Resolution Program or this report please contact:



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Program information is also available at: <http://courts.michigan.gov/scao/dispute/odr.htm>

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